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KRISTY H. NICHOLS
COMMISSIONER OF ADMINISTRATION

State of Louisiana
Division of Administration
Office of State Uniform Payroll

September 5, 2014

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2015-06

TO: LaGov HCM Agency Human Resources
and Employee Administration Staff

FROM: Andrea P. Hubbard
Director

SUBJECT: Rate Change for the Following Statewide Vendor Product:
Transamerica Life (30131) Cancer and Cancer-C/V Policies

Transamerica Life will be implementing a rate increase effective January 1, 2015 for the above policies. On August 25, 2014, the vendor mailed letters to all agencies affected by this rate increase, along with a list of the employees' current deduction amounts and the new amounts. At the same time, letters were mailed from the vendor to the employees affected notifying them of this change. A new Payroll Deduction Authorization Form (SED-4) with the new rates was enclosed with the letter.

Employees who accept the rate change must sign the forms and send them back to the vendor by October 13, 2014. The vendor will forward a signed copy of the SED-4 form to the payroll office by November 3, 2014 to be entered. Agencies should have all deduction changes entered for the January 9, 2015 payday. Employees who do not submit the signed SED-4 by the October 13th deadline will have their policies cancelled upon notice from the vendor, effective January 1, 2015.

The vendor will prepare and send a list of employees who did not agree to the changed rates (did not sign the new SED-4 form) to the payroll offices by November 10, 2014. The list will indicate the employee's name, social security number, and product. A new Payroll Deduction Authorization Form, SED-4, will also be mailed to the employee and agency indicating that coverage for this specific policy has been cancelled effective January 1, 2015. **The employee signature is not required on these SED-4's. The SED-4 should include all other active policies the employee has with the vendor as new SED-4's supersede all prior forms.**

Cancellations and rate changes must be entered by the agency in eEnrollment to avoid one time refunds and deductions. For those employees in the Flexible Benefits Plan, the agencies will need to select the qualified event, "**SIGNIFICANT INCREASE IN COST OF COVERAGE**", when modifying the deduction amount or cancelling the deduction in eEnrollment.

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Employees who accept the rate increase but will not have had the policy in force for one full year, as of January 1, 2015, cannot have the rate increase effective until that one year has passed per the Louisiana Insurance Code (Title 22 of the Louisiana Revised Statutes). If the vendor chooses to have the increase effective when that year is up, they must include this information in a cover letter to the agencies with the SED-4 so that the increase will be handled properly for those employees enrolled in the Flexible Benefits Plan.

If you have any questions about the rate change, please contact the following Administrative Coordinator for the vendor listed below:

Transamerica Life, Leslie Hubbard (800) 400-3042 ext 1271382

Any other questions should be directed to a member of the OSUP Benefits and Financial Administration Unit at _DOA-OSUP-BFA@LA.GOV or (225):

Jodi Bullock	342-5345	Desiree Jefferson	342-5377
Michelle Richmond	342-5357	Brandy Boyd	342-5354
Jessamye Charette	342-5344		

APH:JAB/pbh

c: Ray Harrison, Office of Group Benefits
Leslie Hubbard, Transamerica Life